

SPECIAL ASSISTANT TO THE SECRETARY OF STATE  
WASHINGTON

May 26, 1955

MEMORANDUM

For: The Director of Central Intelligence

Subject: State Department Appropriations for Its Intelligence Organization

You will recall that on April 26, you and I discussed the budgetary and personnel problems affecting the capability of the R area of the Department of State to fulfill its responsibilities in the intelligence community as a whole. At that time you asked me to let you know if there were anything that you could do to assist us in ameliorating the present stringency.

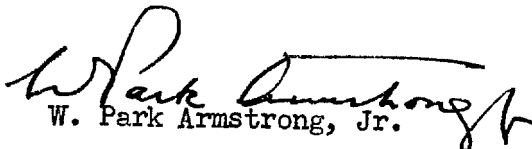
As I told you on April 26, the Department's budget for fiscal year 1955-56 had already been presented to the Congress and, if approved in full, would give us a few additional positions. I said then that there seemed as yet no need to call upon you officially for support, but that as soon as it seemed appropriate and useful, I would come back to you. I believe that time has arrived, and would like to solicit your support in justifying an increase in the funds which we will ask be appropriated in fiscal year 1956-57.

The Department, along with all other Executive agencies, is now putting together its preliminary budget estimates for the 1956-57 fiscal year. The Secretary has indicated his view that the Department should seek funds sufficient to cover its genuine and documentable needs, even if this involves asking for an increase at a time when the Administration as a whole is endeavoring to reduce its over-all fiscal requirements. After a thorough survey of the deficiencies in and the need for augmentation of the R organization, I have submitted to the Administrative office of the Department a preliminary budget estimate for 1956-57, calling for an increase in that year of 103 positions at a cost of \$592,000. This would be an increase of approximately 33% from our present personnel ceiling, but would still fall short of recovering all of the cut that was absorbed by the R area in 1953. The proposed increase has been developed on a functional basis in an effort to fill out or to provide initial coverage of intelligence requirements that relate both to the Department itself and to the CIA and the other constituent IAC agencies and other intelligence consumers (in particular, USIA). I shall be very glad to go into the details of this with you or any designated representatives.

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An increase of the relative size indicated above will, of course, draw considerable attention to itself and require thorough and extensive justification. This we are prepared to provide, but that alone may not be sufficient. I believe that it would greatly strengthen our case -- a case which you and your associates will, I am sure, agree is valid -- if you would indicate officially your concern over our present deficiencies and your endorsement of a general strengthening of the R function in the Department. With this in mind I have drafted a possible form of letter which you might send to the Secretary of State, modified in any way you see fit. I believe that such a letter would be fully within your prerogatives as the Director of Central Intelligence, and would very materially enhance the prospects of our obtaining this essential relief.

  
W. Park Armstrong, Jr.

Attachment

Draft letter to the  
Secretary of State

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LETTIR

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Dear Mr. Secretary:

I understand that the Department of State is currently engaged in the preparation of its preliminary 1957 budget estimates, along with all Executive departments and agencies. I hope I will not be considered presumptuous if I offer certain comments upon the intelligence part of the Department's budget.

*particular problems*  
The intelligence framework of the Government *has its* is unusual in that, to a degree not often found in other governmental functions, each intelligence agency is heavily dependent upon others, and the President and the National Security Council are dependent upon the community as a whole, not simply upon one or several of its parts. I might add that this governmental area differs from others also in that there is assigned to the Director of Central Intelligence a statutory responsibility to coordinate the activities of the several intelligence agencies; this indeed accounts for *and I believe justifies* my present comment.

The Honorable

The Secretary of State,

Washington.

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The intelligence area of the Department of State has an obligation to respond to the needs of agencies other than the Department itself. Such needs involve both the collection of intelligence and the preparation of finished intelligence reports and estimates. I believe it is pertinent, therefore, for me to report to you that I have become increasingly concerned at the Department of State's <sup>difficultly</sup> ~~inability~~, because of insufficient qualified personnel, <sup>in</sup> ~~fully~~ to meet <sup>my belief</sup> the needs of the Intelligence Advisory Committee (IAC), its constituent agencies, and other intelligence consumers. The most recent review of deficiencies in National Intelligence Estimates points to gaps that exist because of inadequate research and analysis facilities. Examination of specific deficiencies--i.e., the status of the integration program in the Soviet orbit, political developments in Italy, nationalist and Communist strengths and relationships in North Africa--make it evident that the problem is notably serious in the Department of State intelligence organization. Senior officials of CIA and other agencies have confirmed this to me in expressing their misgivings at the consequences of a continued low level of staffing of the Department's intelligence research unit.

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CIA, as well as other agencies having operating responsibilities in the general field of psychological warfare, looks to the Department of State for specific political intelligence support, in accordance with the principle of specialization among the IAC members. We are aware, however, that these demands constitute a significant levy on the Department's intelligence-producing resources; I am informed that the Department's intelligence organization has been unable, ~~in fact~~, to meet some of our outstanding requests.

The Department's responsibility as a collector of overt intelligence is a further concern to the IAC community. Here too remediable deficiencies have appeared, particularly in the procurement of publications and other printed material, but on a more general basis also.

I hasten to say the Department of State and the Foreign Service have done an extraordinarily good intelligence job over the past two years, and I would not wish my expressions of concern to obscure this fact. I am strongly of the view, nevertheless, that ~~a more~~ <sup>an increase</sup>

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because of personnel  
shortage,

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*in the*  
~~liberal~~ budget allowance for the Department's  
intelligence activities would serve well the national  
security interest. I am sure that the responsible  
Department officers will present to you their *own* judgments  
as to the detailed and specific needs of their units.

Sincerely yours,

DRAFT

Allen W. Dulles

Director of Central Intelligence

*In these times  
when sound  
intelligence is a  
part. and  
important  
vital need.*

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CENTRAL INTELLIGENCE AGENCY  
OFFICIAL ROUTING SLIP

TO	INITIALS	DATE
1 Mr. Kent	SL	
2 DCI		
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FROM	INITIALS	DATE
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Remarks:

Mr Dulles wanted you to see this before he sends it over, and to get your views if in any way inconsistent with content of memo

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